Approved For Release 2002/06/13: CIA-RDP68B00307R000200050005-3

DEPARTMENT OF THE AIR FORCE HEADQUARTERS UNITED STATES AIR FORCE

WASHINGTON 25, D.C.

REPLY TO ATTN OF:

SUBJECT:



OSA-0019-63

#1066 REPLY TO: Auditor General Comptroller, USAF Eastern District Liaison Office P. O. Box 8155 S. W. Station Washington, D. C.

10 January 1963

Report on Evaluation of CPFF Contract Proposal Subject:

Sanders Associates, Inc. Nashua, New Hampshire

Proposal No. 90XY, as revised on 6 Dec., 1962

: Contracting Officer $^{\rm To}$

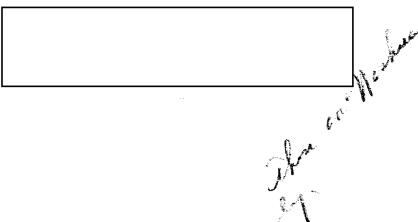
1. In accordance with referenced request, a review has been made of the subject contract proposal by the auditor. While some discussion has been held between representatives of the contractor and the auditor regarding the field service program, audit comments pertaining thereto are being held in abeyance pending receipt of a revised proposal for that activity.

2. Costs embodied in the subject proposal amounting to are recommended to the Contracting Officer for approval. The auditor has had several conferences with the contractor regarding these costs, and the amount represents the final determination of the proper estimated costs related to the work at hand.

Indirect expense rates applied by the contractor represent the forecasted rates for the period 1 August 1962 to 31 July 1963 and are as follows:

25X1A

25X1A



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Inasmuch as the rates represent the facility rates at the Nashua plant wherein the work is to be performed and since this is the initial attempt at refinement of a previously company-wide overhead rate, it was necessary for the auditor to study the forecast in concept for lack of an historical comparison to a previous fiscal period.

N. J. Edwards

W. F. EDWARDS Audit Liaison Officer Eastern District Auditor General